

YTL E-SOLUTIONS BERHAD (Company No. 236137-K)
(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT

Interim financial report on consolidated results for the period ended 30 September, 2002

The figures have not been audited.

CONDENSED CONSOLIDATED INCOME STATEMENTS

| | INDIVIDUAL PERIOD | | CUMULATIVE PERIOD | |
|---------------------------|-------------------|-----------------------|-------------------|------------|
| | CURRENT YEAR | PRECEDING YEAR | 3 MONTHS ENDED | |
| | QUARTER | CORRESPONDING QUARTER | 30.09.2002 | 30.09.2001 |
| | 30.09.2002 | 30.09.2001 | 30.09.2002 | 30.09.2001 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| REVENUE | 5,561 | 2,690 | 5,561 | 2,690 |
| OPERATING EXPENSES | (3,138) | (2,326) | (3,138) | (2,326) |
| OTHER OPERATING INCOME | 1,080 | 763 | 1,080 | 763 |
| PROFIT FROM OPERATIONS | 3,503 | 1,127 | 3,503 | 1,127 |
| TAXATION | (1,049) | (391) | (1,049) | (391) |
| PROFIT AFTER TAXATION | 2,454 | 736 | 2,454 | 736 |
| MINORITY INTERESTS | (499) | (84) | (499) | (84) |
| NET PROFIT FOR THE PERIOD | 1,955 | 652 | 1,955 | 652 |
| EARNINGS PER SHARE | | | | |
| Basic (Sen) | 1.45 | 0.65 | 1.45 | 0.65 |

The Condensed Consolidated Income Statements should be read in conjunction with the Annual Financial Report for the year ended 30 June, 2002

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CONDENSED CONSOLIDATED BALANCE SHEETS

| | AS AT 30.9.2002 RM'000 | AS AT 30.6.2002 RM'000 |
|---------------------------------------|---------------------------------------|---------------------------------------|
| PROPERTY, PLANT & EQUIPMENT | 2,129 | 2,178 |
| | ----- | ----- |
| UNQUOTED INVESTMENT | 331 | 331 |
| | ----- | ----- |
| DEVELOPMENT EXPENDITURE | 1,946 | 1,987 |
| | ----- | ----- |
| GOODWILL ON CONSOLIDATION | 8 | 8 |
| | ----- | ----- |
| CURRENT ASSETS | | |
| Trade debtors | 2,644 | 2,952 |
| Other debtors, deposits & prepayments | 2,630 | 890 |
| Amount due from holding company | 1,327 | 1,122 |
| Amount due from related companies | 1,654 | 3,175 |
| Fixed deposits | 145,956 | 141,676 |
| Cash & bank balances | 675 | 123 |
| | ----- | ----- |
| | 154,886 | 149,938 |
| | ----- | ----- |
| LESS : CURRENT LIABILITIES | | |
| Trade creditors | 3,613 | 4,096 |
| Other creditors & accruals | 3,857 | 1,727 |
| Amount due to related companies | 77 | 72 |
| Provision for taxation | 1,986 | 1,234 |
| | ----- | ----- |
| | 9,533 | 7,129 |
| | ----- | ----- |
| NET CURRENT ASSETS | 145,353 | 142,809 |
| | ----- | ----- |
| | 149,767 | 147,313 |
| | ===== | ===== |

The Condensed Consolidated Balance Sheets should be read in conjunction with the Annual Financial Report for the year ended 30 June, 2002

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CONDENSED CONSOLIDATED BALANCE SHEETS - continued

| | AS AT 30.9.2002 RM'000 | AS AT 30.6.2002 RM'000 |
|------------------------------------|---------------------------------------|---------------------------------------|
| SHARE CAPITAL | 135,000 | 135,000 |
| SHARE PREMIUM | 3,500 | 3,500 |
| UNAPPROPRIATED PROFITS | 8,486 | 6,531 |
| SHAREHOLDERS' FUNDS | ----- 146,986 | ----- 145,031 |
| MINORITY INTERESTS | 2,465 | 1,966 |
| LONG TERM LIABILITY | | |
| Deferred taxation | 316 | 316 |
| | ----- 149,767 | ----- 147,313 |
| | ===== | ===== |
| Net tangible assets per share (RM) | 1.07 | 1.06 |
| | ===== | ===== |

The Condensed Consolidated Balance Sheets should be read in conjunction with the Annual Financial Report for the year ended 30 June, 2002

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**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE QUARTER ENDED 30 SEPTEMBER 2002**

| | Share Capital RM'000 | Share Premium RM'000 | Unappropriated Profits RM'000 | Total RM'000 |
|---------------------------|-------------------------------------|-------------------------------------|--|-------------------------|
| As at 1 July, 2002 | 135,000 | 3,500 | 6,531 | 145,031 |
| Net profit for the period | - | - | 1,955 | 1,955 |
| | ----- | ----- | ----- | ----- |
| As at 30 September, 2002 | 135,000 | 3,500 | 8,486 | 146,986 |
| | ===== | ===== | ===== | ===== |

Note :-

There are no comparative figures as this is the first interim financial report prepared in accordance with MASB 26 - Interim Financial Report.

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Financial Report for the year ended 30 June, 2002

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**CONDENSED CONSOLIDATED CASH FLOW STATEMENT
FOR THE QUARTER ENDED 30 SEPTEMBER 2002**

| | RM'000 |
|---|---------------|
| Cash flows from operating activities | |
| Profit before taxation | 3,503 |
| Adjustments for :- | |
| Non-cash items | 225 |
| Non-operating items | (1,080) |
| | ----- |
| Operating profit before working capital changes | 2,648 |
| Net changes in current assets | (34) |
| Net changes in current liabilities | 1,660 |
| Interest received | 997 |
| Taxation paid | (304) |
| | ----- |
| Net cash from operating activities | 4,967 |
| | ----- |
| Cash flows from investing activities | |
| Purchase of property, plant & equipment | (120) |
| Development expenditure paid | (15) |
| | ----- |
| Net cash used in investing activities | (135) |
| | ----- |
| Net changes in cash and cash equivalents | 4,832 |
| Cash and cash equivalents brought forward | 141,799 |
| | ----- |
| Cash and cash equivalent carried forward | 146,631 |
| | ===== |
| Cash and cash equivalents comprise :- | |
| Fixed deposits | 145,956 |
| Cash & bank balances | 675 |
| | ----- |
| | 146,631 |
| | ===== |

Note :-

There are no comparative figures as this is the first interim financial report prepared in accordance with MASB 26 - Interim Financial Report.

The Condensed Consolidated Cash Flow Statement should be read in conjunction with the Annual Financial Report for the year ended 30 June, 2002

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Notes : -

Disclosure requirements per MASB 26 - paragraph 16

A1. Accounting Policies and methods of computation

The interim financial report is unaudited and has been prepared in accordance with MASB 26 “Interim Financial Reporting” and Chapter 9, part K of the Listing Requirements of the Kuala Lumpur Stock Exchange.

The Condensed Financial Statements should be read in conjunction with the audited annual financial statements of the Group for the year ended 30 June, 2002.

The accounting policies and methods of computation adopted by the Group in this interim financial report are consistent with those adopted in the latest audited annual financial statements.

The following notes explain the events and transactions that are significant to the understanding of the changes in the financial position and performance of the Group since the financial year ended 30 June, 2002.

A2. Audit Report of the preceding financial year ended 30 June 2002

The Auditors’ Report on the financial statements of the preceding financial year was not subject to any qualification.

A3. Seasonality or Cyclicity of Operations

The business operations of the Group are not materially affected by any seasonal or cyclical factors.

A4. Exceptional or Unusual Items

During the current financial quarter, there was no item of exceptional or unusual nature that affects the assets, liabilities, equity, net income or cash flows of the Group.

A5. Changes in estimates of amounts reported

There was no change to estimate of amount reported in prior interim periods and prior financial years.

A6. Changes in Debt and Equity Securities

During the current financial quarter, there was no issuance, cancellation, repurchase, resale and repayment of debts and equity securities

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Notes : - continued

A7. Dividend paid

No dividend has been paid during the current financial quarter.

A8. Segment Reporting

No segment information is prepared as the Group's activities are predominantly in one industry segment and occur predominantly in Malaysia.

A9. Valuation of Property, Plant and Equipment

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses.

A10. Material Events Subsequent to the end of the interim period

There were no material events subsequent to the end of the current financial quarter.

A11. Changes in the Composition of the Group

Save for the acquisition of YTL Infoscreen Sdn. Bhd. which was completed on 17 September 2002, there was no change in the composition of the Group for the current financial quarter, including business combinations, acquisition or disposal of subsidiaries and long-term investments, restructurings and discontinuing operations.

A12. Changes in Contingent Liabilities or Contingent Assets

There were no changes in the contingent liabilities or the contingent assets of the Group since the last annual balance sheet as at 30 June 2002.

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Disclosure requirements per KLSE listing requirements Part A of Appendix 9B

B1. Review of Performance

The Group's revenue and profit before taxation for the current financial quarter ended 30 September 2002 were recorded at RM5.561 million and RM3.503 million respectively. As compared to the Group's revenue and profits before taxation for the financial quarter ended 30 September 2001, of RM2.690 million and RM1.127 million respectively, the increases in both amounts were attributable to the higher demand for VoIP telephony services during the quarter.

B2. Comparison with Preceding Quarter

For the current financial quarter, the Group registered a profit before tax of RM3.503 million as compared with a profit before tax of RM5.328 million for the preceding quarter. The reduction in the current quarter is substantially due to rental and license fee income of approximately RM2 million received in the last quarter.

B3. Prospects

The Group, after considering the Group's current level of operations and the current market condition, is expected to achieve satisfactory performance for the financial year ending 30 June 2003.

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B4. Profit Forecast

The Group did not issue any profit forecast or profit guarantee during the current financial quarter.

B5. Taxation

Taxation comprises the following:-

| | Current Year Quarter 30.09.2002 RM'000 | Current Year To Date 30.09.2002 RM'000 |
|--|---|---|
| Taxation based on the profit for the period | 1,049 ===== | 1,049 ===== |

The provision for taxation of the Group for the current financial quarter reflects an effective tax rate higher than the statutory tax rate due mainly to certain expenses which are not allowable for tax purposes.

B6. Sales of Unquoted Investment and/or Properties

There was no sale of unquoted investment or properties during the current financial quarter.

B7. Quoted Securities

During the current financial quarter, there was no purchase or disposal of quoted securities. The Group does not have any quoted securities at the end of the current financial quarter.

B8. Corporate Development

There is no corporate proposals announced by the Company which is not completed as at the date of this report.

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B9. Group Borrowings and Debt Securities

During the current financial quarter, there was no issuance, cancellation, repurchase, resale and repayment of debts and equity securities.

B10. Off Balance Sheet Financial Instruments

No off balance sheet financial instruments were utilised for the current financial quarter.

B11. Material litigation

There was no material litigation pending as at the date of this report.

B12. Dividend

No dividend has been declared for the current financial quarter.

B13. Earnings Per Share

i) Basic earnings per share

The basic earnings per share of the Group has been computed by dividing the net profit for the financial quarter by the weighted average number of ordinary shares in issue during the financial quarter.

| | Current Quarter 30.09.2002 | Preceding Year Corresponding Quarter 30.09.2001 |
|--|---|--|
| Net profit for the period (RM'000) | 1,955 ===== | 652 ===== |
| Weighted average number of ordinary shares ('000) | 135,000 ===== | 100,000 ===== |
| Basic earnings per share (sen) | 1.45 ===== | 0.65 ===== |

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Notes : - continued

B13. Earnings Per Share - continued

ii) Diluted earnings per share

The Group has no dilution in its earnings per ordinary shares. Therefore, no consideration for adjustment in the form of increase in the number of shares was used in calculating the potential dilution of its earnings per share.

By Order of the Board
HO SAY KENG
Secretary

Kuala Lumpur
Dated : 28 November 2002

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